

XIII. QUANTIFIED OBJECTIVES

Background

According to the State Department of Housing and Community Development, the sum of the quantified objectives for the programs should ideally be equal to or surpass the community's identified housing needs. However, State law recognizes that 'the total housing needs identified may exceed available resources and the community's ability to satisfy this need within the content of the general plan. Under these circumstances, the quantified objectives need not match the identified existing housing needs but should establish the maximum number of housing units that can be constructed, rehabilitated, and conserved over a five-year time frame.

Quantified Objectives in the City of Mountain View

Between 1988 and 2000, the average rate of construction for new housing has been about 200 units per year. If this rate continues for the next five years, there will be about 1,000 new units built between 2001 and 2006. About 40 percent of the housing built between 1988 and 2000 was on sites identified for rezoning in the 1990 Housing Element. The sites identified for rezoning in the current Housing Element will be more difficult to redevelop because most are privately-owned, many are already-developed and the sites are fragmented among many ownerships. (These sites were identified after a thorough search of redevelopment opportunities in the City.) Therefore, the City may have difficulty even achieving 1,000 new housing units. Nevertheless, this is the City's goal.

To meet the City's objectives for lower income housing, there are several federal and local funding sources: CDBG, HOME, Revitalization District Housing Set-Aside Funds, Below-Market Rate program in-lieu fees, housing impact fees and the Santa Clara County Housing Trust Fund. These funds can continue to be used to leverage other funding sources such as tax credits—generally amounting to \$7 for every \$1 of local funds.

During the five years between 2001-02 and 2006-07, the City can project a continuation of federal funding of about \$1.3 million per year or a total of \$6.5 million (although funding levels could change as a result of 2000 Census data). Also, between 2000 and 2006, the City is estimating it will receive almost \$3.7 million from housing set-aside funds. The efficiency studio project has used significant amounts of the CDBG, HOME and set-aside funds for the past three years through 2001-02. After that fiscal year, it is expected that federal and set-aside funds may become available for other new housing projects or acquisition and rehabilitation of existing units. It will take several years for adequate funds for another housing project to be accumulated (as was the case with the efficiency studios project).

The BMR program is also projected to generate affordable housing units or fees in lieu of the units. Since most developers of ownership housing prefer to pay fees in lieu of providing units, the City is projecting only 25 moderate-income units with the remainder of the BMR requirement paid in in-lieu fees. During its first two years, the BMR program generated

commitments of \$1.5 million in in-lieu fees. Since it was not a typical two-year period because many projects in the pipeline were exempt, it is estimated that about \$1 million per year or a total of \$5 million could be generated over five years.

The new housing impact fee is also expected to generate several millions in the next five years, assuming the economy improves. Both the BMR and housing impact fee are highly variable because they are totally dependent on the performance of the private market.

The Santa Clara County Housing Trust is expected to make a major contribution to the efficiency studios project, and it may also be a source of funding for other affordable housing projects in the future.

Non-profit housing developers can also draw on other sources of funding including tax credits, which are a very significant source of funding for affordable housing.

Taking into consideration all of these funding sources, the City is currently estimating about 100 new units and 50 rehabilitated very low- and low-income units can be produced during the five-year time frame (in addition to the efficiency studio project).

The City's quantified objectives for the next five years are as follows:

**Table XIII-1
Quantified Objectives, 2001-2006**

Type of Units	Very Low Income	Low Income	Moderate Income	Above/ Market Rate	TOTAL
New Construction	120 ¹	100 ²	300 ³	600	1,120
Rehabilitated	25	25	0	0	50
Preserved	0	0	0	0	0
TOTAL	145	125	300	600	1,170

1. Efficiency studio currently in process
2. Additional low income units financed with federal, set-aside, BMR in lieu and housing impact fees
3. Includes about 25 ownership units produced through the BMR program, plus 275 moderate-income units produced by the private market.